

# Advisory spect's

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Advisory Aspects is a quarterly publication of The Assessment Services Branch of Alberta Municipal Affairs.

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## Alberta Municipal Affairs launches its *milenet* gateway



On September 17, at precisely 8:15 a.m., Municipal Affairs reached a major milestone with the launch of *milenet*, the department's newest extranet offering. This launch marks a significant moment when it comes to how the department communicates with its stakeholders, and how they communicate with the department.

*milenet* is a secure extranet gateway through which municipalities can access department services. On-line access to applications will make it easier for municipalities to report, gather and share information with the department, and in some instances, with each other. Municipalities have been saying that they want to use the Internet to make it easier to fulfill reporting responsibilities between governments. *milenet* is part of an evolution of services, partly driven by a desire to be more efficient and effective, but also driven by stakeholders such as municipalities.

"When the *milenet* gateway was being designed there were a couple basic ideas that made up its foundation," says project manager Glenys Holmberg. "It had to be a single point

of entry into the department, and it had to be ultra-secure."

The gateway itself is situated behind the Government of Alberta's security firewalls. In addition to this security, *milenet* has its own firewalls and a Secure Socket Layer (SSL), which has a 128-bit encryption on the line - identical to the security protocols in place for on-line banking.

Alberta Municipal Affairs is adjusting to a new way of doing business where both enhanced access to information and the protection of information are paramount. When it comes to potentially sensitive information, Municipal Affairs has been very careful. The department has done everything reasonable to make sure *milenet* is safe and secure.

"Admittedly the legal agreement is pretty long," says Glenys, "but because it will be signed by each municipality for access to other municipalities' information, the agreement really deals with a broad relationship involving the provincial government and all municipalities in the province. Because there is a substantial third party involvement, the *milenet*

contract must be more comprehensive than other agreements. It's part of our diligence."

Applications will become available through the *milenet* gateway in several phases. This first phase involves initial access to:

- the Assessment Shared Services Environment, an application that will allow municipalities to view and report assessment information on-line;
- the Fire Electronic Reporting System, a Web-based application that will enable stakeholders to submit on-line fire and casualty reports; and
- the Grants Management Application System, an application system used by Alberta Municipal Affairs to process payments of grants-in-place of taxes, business revitalization zone taxes, local improvements and special taxes on Crown-owned properties.

Right now, the only required use of an application through *milenet* involves the Assessment Shared Services Environment (ASSET).

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## concerns addressed

Concerns regarding the April 1, 2003, deadline for municipalities to submit their assessment using the ASSET system have led the department of Municipal Affairs, the Equalized Assessment Panel Technical Committee and assessment stakeholders to develop a revised schedule.

The consultation that led to this new schedule took place after some municipalities said they would not have updated Computer Assisted Mass

Appraisal (CAMA) software in time to meet the requested submission date.

"CAMA system providers have confirmed that many larger municipalities will be ready to load their data by April 1, 2003," says John Scott, Assessment Shared Services Environment (ASSET) system manager.

"If municipalities have completed the required system upgrades and data conversions by the April 1, 2003, deadline, the department would like them to load their data into the ASSET system."

However, CAMA system providers have advised the department that some municipalities will not be able to make the required system upgrades and convert all of their data by the

April 1, deadline. As a result, this deadline for reporting into the ASSET system will be extended to September 30, 2003.

As municipalities receive their CAMA upgrades and become capable of preparing and submitting load files, additional testing will occur over the spring and summer of 2003.

A full set of tests in 2003 will help minimize the problems that may be encountered when the ASSET system becomes fully operational on January 31, 2004.

"Municipalities should not be concerned about the legal status of their assessment rolls if they cannot meet the April 1, 2003, reporting date," John says.

"Failure to meet this deadline for reporting data will not invalidate the 2003 assessment or tax rolls."

"A municipality's ability to levy taxes will not be compromised in this situation."

If you have concerns or questions about ASSET or the preparations needed to make municipal systems fully compatible with ASSET, please contact John Scott, ASSET System Manager, at (780) 422-8415 or at [john.scott@gov.ab.ca](mailto:john.scott@gov.ab.ca), or visit our Web site at [www3.gov.ab.ca/ma](http://www3.gov.ab.ca/ma).

## Assessment Shared Services Environment (ASSET) available through *milenet* gateway

The first release of the Assessment Shared Services Environment (ASSET) system is now available through the *milenet* gateway ([www.milenet.ca](http://www.milenet.ca)).

Municipalities and assessors are now able to access the ASSET system, in order to become familiar with it, and complete tests to ensure their systems are in good working order.

In September, a *milenet* package with general information and a *milenet* Master Legal Agreement was distributed to all Alberta municipalities.

To date, the department has received about 130 signed *milenet* Master Legal Agreements. It is important that every municipality reviews this package and signs the legal agreement because access to the ASSET system is contingent upon having access to *milenet*.

The agreement includes clauses related to the confidentiality and appropriate use of ASSET data, and

also deals with permissions and liabilities for access to other applications through *milenet*.

The use of data within the ASSET system is restricted to the following:

- preparing assessments
- auditing assessments
- equalizing assessments, and
- for municipalities to monitor the equalization process.

Municipalities are responsible for ensuring that the people they allow to use ASSET comply with the terms of the *milenet* Master Legal Agreement. From the municipal perspective, users are to be limited to private assessment

contractors, or municipal employees that work in the assessment and taxation area.

Chief Administrative Officers (CAOs) are ultimately responsible for the municipal assessment function and should ensure that the following items are addressed to prepare their municipalities for the transition to using the ASSET system:

- A municipality's assessor should be kept abreast of the changes in procedures and timelines associated with the ASSET project.

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## ASSET continued from page 2

- A municipality's assessment department or private contractor should be working with the Computer Assisted Mass Appraisal (CAMA) system supplier to have the appropriate upgrades and conversions completed for preparing assessments.
- Communication is important between the finance department and the assessment department or private contractor. These two groups will need to work together to ensure reporting requirements are met.
- The finance department and the assessment department (or private contractor) must be aware of, and should take appropriate steps to apply the standardized codes that will need to be applied to the data that is entered into the ASSET system. Of particular importance to the financial administration are the liability codes. Liability codes are required for determining equalized assessments, which will be used to calculate education tax requisitions. Municipal financial systems and assessment systems need to be able to exchange information on assessments and the corresponding liability codes.
- The assessment department or private contractor should have computer software updated and tested to meet the ASSET system requirements. Funding is being made available for this purpose to the firms that provide assessment software.

Questions regarding the ASSET system and the transition to using the ASSET system can be directed to John Scott, ASSET System Manager, (780) 422-8415.

## Ministerial Orders signed since the last issue of Advisory Aspects

MO#	APPLIES TO	REGARDING	DATE SIGNED
L: 127/02	Town of Blackfalds	Supplementary Assessment Bylaw Extension to August 27, 2002	August 15, 2002
L: 135/02	Town of Canmore	Assessment Review Board Decisions Extension to October 31, 2002	September 9, 2002

## Regulated industrial assessment

The Assessment Services Branch is continuing its review of the policies and procedures that are used to assess industrial property in Alberta.

At this time, the branch is facilitating a working group process for the industrial property rate review.

The first two meetings were held in mid-November -- one for wells and one for pipeline.

The working group meetings will follow a process to encourage

discussion and ensure all issues are identified and addressed.

Working groups have been established by property type -- pipelines; wells; electric power transmission, distribution, and street lighting; machinery and equipment; railway; and telephone and cable television.

Each working group consists of six members: one representative each from the Association of Municipal Districts and Counties Alberta Urban

Municipalities Association, and Alberta Assessors' Association; one representative from the Canadian Property Tax Association; and two industry-specific representatives.

After the working group process is finished, the department will combine the results of the depreciation reviews with the results of the rate review and carry out impact studies. The results will be brought back to the working groups for further discussion.



## Season's Greetings

*from the staff of the  
Assessment Services Branch  
of Alberta Municipal Affairs*

Please note that our offices will be closed  
December 25, 26, 27 and  
January 1

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# Equalized assessment liability coding requirements for ASSET

Municipalities currently submit assessment valuation return forms for the assessment equalization process. However, with the implementation of the Assessment Shared Services

Environment (ASSET), assessment data will be directly entered into the ASSET system in future years. To do this, standardized liability codes will be required to enable the Assessment Services Branch to extract the assessments that form the provincial equalized assessment.

Once the ASSET system is running, reports and forms will no longer be required. The liability coding requirements represent the minimum coding necessary to determine equalized assessments and education property tax requisitions. Municipalities may wish to expand the liability codes for their own purposes. The expanded codes must,

however, be collapsible into the minimum liability coding requirements for reporting to the department.

The Assessment Services Branch recently provided all municipalities with a package containing the liability codes so they may prepare for implementation of the ASSET system.

In developing the liability codes, the branch has explored numerous scenarios and has tried to identify all coding possibilities; however, we recognize that there may be situations that have not yet been considered.

If you discover that the liability codes do not meet your municipality's

needs, we need to hear from you.

Please send us any questions that you may have about the liability codes and we will post questions and answers on the *milenet* Web site ([www.milenet.ca](http://www.milenet.ca)) in the ASSET information area.

Any changes to the liability codes will be provided to stakeholders on this Web site and through communication bulletins.

If you have questions, call the Education Property Tax and Equalized Assessment Unit at (780) 422-7125 or e-mail us at [ALSmail@gov.ab.ca](mailto:ALSmail@gov.ab.ca). We would appreciate hearing from you.



## Preparation for linear assessment under way

Linear property owners have been reminded that it is time to start preparing for the 2002 property assessment/2003 tax year.

Linear property includes pipeline (well, pipe and gas distribution systems), telecommunications systems (including cable television), and electric power systems.

The Assessment Services Branch (ASB) prepares the pipeline linear property assessment based primarily on records that are held at the Alberta Energy and Utilities Board (AEUB).

In September, the branch asked owners of pipeline property to review

their latest assessment detail sheets and notify the AEUB of any changes that would affect the assessment for the 2003 tax year.

Pipeline property owners were asked to submit their changes in a timely manner so that AEUB records would reflect any corrections as of the characteristic and specification legislated date of October 31, 2002.

The pipeline companies received a handbook and RFI (request for information) at the beginning of November 2002. This will allow them to report to the ASB any pipe with a status of "permitted" that was constructed as of October 31, 2002, and any pipe with a status of "operational" that was not constructed as of October 31, 2002.

Companies also need to report if the municipal allocation of the pipe is correct, and if the pipe was installed

prior to 1940. They also need to include in this report all pipeline and segments of pipeline that are not licensed at the AEUB.

Assessments for telecommunication and electric power systems linear property are prepared based on information that is reported to the ASB by the owner of the property.

Owners of telecommunication and electric power systems are now reviewing their inventory as it is listed on the most recent assessment detail sheets.

This would be the February 28, 2002, assessment or the June 5 amended assessment, if an amended assessment was received.

In November, companies received a formal request to provide information, along with a copy of the most current inventory list that the ASB has on file for the purpose of

reporting back to the branch by December 31, 2002.

The ASB anticipates that an increased number of companies will file their inventory information electronically, which will greatly enhance the ability of the unit to meet the December 31 legislated filing date.

Property owners who do not wish to file information electronically may still submit information by using the assessment reporting form that was provided with the formal RFI document.

For further information, contact:

Telecommunications and Electric Power Systems  
Grant Clark (780) 422-8391  
[grant.clark@gov.ab.ca](mailto:grant.clark@gov.ab.ca)

Well and Pipeline (Help Line)  
Gail Reykdal (780) 422-8302  
[Gail.reykdal@gov.ab.ca](mailto:Gail.reykdal@gov.ab.ca)

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# Transition Schedule

Using the Current Assessment to Calculate the Equalized Assessment

## 2002

No Change  
to Assessment Standards

## 2003

New Median Assessment  
Ratio Standards

## 2004

Current Assessments Used  
to Calculate Equalized

**Assessment roll completed by February 28 or April 30 – extensions allowed**

Assessment was prepared following existing standards: Medians .90 – 1.10  
COD 15 or 20%.

Regulated assessments are prepared following Minister's Guidelines.

These assessments, along with liability codes, are reported, audited, and declared on ASSET.

Audit forms submitted by April 1.

Audit reports to include information on meeting new standards.

**By November 1**

Equalized assessment prepared and sent.

**Assessment roll completed by February 28 – no extensions**

Non-regulated assessments prepared at market value and market areas at a median ASR of 0.950 to 1.050.

Regulated assessments prepared following Minister's Guidelines.

These assessments, along with liability codes, are reported, audited, and declared on ASSET.

**Annual returns**

The reporting date for 2003 using the ASSET system extended to September 30.

Municipalities able to submit their assessment using ASSET by April 1, 2003, requested to do so.

The department is working with municipalities and CAMA providers to ensure all municipalities are ASSET compliant by September 30, 2003.

**Annual return submitted by January 31 – no extensions**

Non-regulated assessments prepared at market value and market areas at a median ASR of 0.950 to 1.050.

Regulated assessments prepared following Minister's Guidelines.

These assessments, along with liability coding, reported, audited, and declared on ASSET.

**Assessment roll completed by February 28 – no extensions**

Roll prepared.

**March 1**

Current assessment used in equalized assessment calculation.

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